

STATE OF RHODE ISLAND
HOUSING RESOURCES COMMISSION
OFFICE OF HOMEOWNERSHIP
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PROVIDENCE, RI 02903

BUSINESS PLAN

A PROPOSAL FOR A RHODE ISLAND
HOME CENTER

March 2001

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EXECUTIVE SUMMARY

The Housing Resources Commission through the Office of Homeownership in partnership with the Federal Reserve Bank of Boston's Home Purchase Process Initiative and working with lenders, policy makers, community and housing organizations has developed a Business Plan for a Rhode Island Home Center.

The Rhode Island Home Center will promote the development of homeownership through the coordination of resources and agencies providing homeownership assistance and services in the state. The creation of the Home Center will help ensure that a consistent quality of homeownership counseling and education practices are shared among partners and make additional financial resources and technical assistance available to the non-profit partners. The center will develop quality standards and training for agency staff and partners. The delivery of services will be provided through a referral system, preferred provider list, on-site assistance or a consortium of community-base partners. The Home Center will operate statewide with a focus on low-and moderate-income and minority households.

The essential conclusion of the business plan is to build on the successes of the Housing Network's HomeBuyer Education Center to coordinate activities, expand capacity building of partners, enhance delivery of services, reduction of duplicative tasks, leveraging of financial resources and create standards of counseling and education for prospective and existing homeowners in the state. The plan recommends a separate Board of Directors be established to oversee the expansion of services and to increase the number of partnering agencies. The Business Plan identifies key partners, market conditions & opportunities; it provides an ability to implement effective solutions through present partnerships and collaboration as the Home center evolves from the current HomeBuyer Education Center.

The Home Center Business Plan will be acted upon by the Housing Resources Commission and forwarded to the Housing Network for further action and eventual implementation.

BUSINESS PLAN

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PREFACE

The Office of Homeownership of the Housing Resources Commission has been working on a range of issues concerning homeownership activities in Rhode Island. One of the critical issues is the development of a statewide Home Center.

Homeownership is important to community life.

The Neighborhood Reinvestment Corporation, NeighborWorks Campaign for Homeownership 2002 has produced a publication, *Estimating the Economic Benefits of Home Ownership: A Step-by-Step Guide*. The Guide has identified three areas of economic benefit to homeownership that apply to Rhode Island.

1. The economic benefits of helping families buy their home.

These benefits include building home equity for buyers. Lenders benefit from origination fees and revenue from loan interest. Home improvement and furnishing-related businesses benefit through increased purchase revenue. As well as real estate and local government benefit through home sales in the form of property taxes and fees.

2. The economic benefits of financing the construction and rehabilitation of homes

Builders, contractors, and other suppliers for financing the rehabilitation and construction of homes in the community see economic benefits.

3. The economic benefits of helping financially troubled households maintain home ownership

The homeowners who are spared losing their home as well as any equity in the house can measure their benefits. Lenders benefit by avoiding foreclosure-related costs in a default action.

HOW TO READ THIS REPORT

The Business Plan is divided into six parts.

- **Part I: Mission, Past Performance, and Market Analysis**
- **Part II: Projections of Homeownership Services**

- **Part III: Financial Projections**
- **Part IV: Customer Tracking and Reporting**
- **Part V: Staffing, Oversight, and Service Partners**
- **Part VI: Location**

PART I: MISSION, PAST PERFORMANCE, AND MARKET ANALYSIS

1) Mission

The purpose of a Rhode Island Home Center is to provide, on a statewide basis, services and training for prospective and existing homeowners to: shop for, qualify for, purchase, retain, rehabilitate, insure, maintain, and manage a home.

The Home Center will operate statewide with a focus on low -and moderate- income and minority households.

The Home Center will provide a variety of services for prospective homebuyers and existing homeowners. The services will be delivered by referrals to partner agencies through collaboration or contractual agreements. It will operate out of a highly visible location. This location may or not be located separately from the lead partner agency.

Delivery of services to customers could be provided through such models as a referral system, a preferred provider list, on-site assistance or a consortium of community-based partners. The service delivery would draw upon the collaboration and contracts with partners, thus allowing for optimal use of Center staff, the reduction of duplicative tasks, and prioritization of homeowner services.

Initially, the Center staff would have a separate coordinator or manager responsible for the Center's operations and one administrative person responsible for scheduling, file maintenance, data entry, and reporting.

The Center's operations would grow gradually, based not just on demand but also on the availability of financial resources and partners.

A recent report by the Housing Assistance Council on homebuyer education and counseling work gave the following definition of housing education and counseling. "The U.S. Department of Agriculture Cooperative Extension Service defines *education* as the general familiarization of borrowers with the homebuying process, whereas *counseling* is the more individualized "hand-holding that borrowers may need as they meet particular challenges along the way".

In *Bridging the Gap Between Supply and Demand, The Evolution of the Homeownership Education and Counseling Industry*, the Research Institute for Housing America notes the importance of homeownership education and counseling (HEC). "HEC is seen as instrumental both in terms of expanding or accelerating the market by reaching new homeowners in underserved communities and

in terms of stabilizing the market by helping homebuyers stay in their homes (by minimizing default risks over time). HEC programs have developed successful outreach methods to market homeownership to underserved communities. They have also succeeded in making the home purchase process less daunting for families - filling in informational gaps, allaying fears, and often helping families who fall short of mortgage qualification standards to address and repair their shortcomings. The growth of HEC in the United States is a good example of successful public-private partnerships” (May 2000).

2) Past Performance

Currently a number of professional, government and community organizations engaged in homeownership activities. An initial review indicates 38 non-profit, housing groups throughout the state provide some level of homeownership services.

The tables below provide an overview of various providers of homeownership-related services in Rhode Island.

Table 1. Housing Groups¹

HOUSING AGENCY NAME	HOME BUYER EDUCATION CENTER MEMBER	HOME OWNERSHIP ACTIVITIES	HUD-APPROVED COUNSELING AGENCIES	EHAP PROVIDER AGENCY ²
Housing Network	X	X		
Consumer Credit Counseling Services		X	X	
Elmwood Foundation	X	X		
Housing Development Corp of the No. End	X	X		
Olneyville Housing	X	X		
Providence Preservation Society RLF	X	X		
OMNI	X	X		
Smith Hill CDC	X	X		
SWAP	X	X		
West Elmwood Housing	X	X	X	
Woonsocket Neighborhood Dev.	X	X		
Blackstone Valley CAP	X	X	X	X
Action Community Land Trust	X	X		
East Bay Development Corporation	X	X		

¹ Groups in Bold are members of The Housing Network. The Housing Network is an eight-year old trade association of 22 non-profit community/housing development corporations.

² EHAP is the Emergency Housing Assistance Program. It provides rental assistance, eviction prevention and foreclosure prevention funds up to a maximum amount of \$1,200. The seven Community Action Programs in the state administer the EHAP program.

Church Community Housing Corp.	X	X	X	
REACH		X		
Pawtucket CDC		X		
Greater Elmwood NHS		X		
West Broadway Incentive Corp.		X		
Urban League of RI		X	X	
Good News Housing		X		
Mt. Hope CLT		X		
RI Organizing Project		X		
Project BASIC		X		
Nickerson House		X		
ACORN-RI Chapter		X		
Habitat for Humanity of South County		X		
Habitat for Humanity of Greater Providence		X		
Habitat for Humanity of Kent County		X		
Habitat for Humanity of East Bay		X		
Providence Neighborhood Housing		X		
Providence CAP		X		X
Self-Help				X
New Vision of Newport County				X
Tri-Town CAP				X
South County CAP				X
Woonsocket CAP				X
Comprehensive Community Action				X

Table 2. Professional Providers

MEMBERS	FUNDING LOCAL HOME OWNERSHIP WORK	HOME OWNERSHIP ACTIVITIES
LISC (Rhode Island)	X	X
Fannie Mae	X	X
Freddie Mac	X	X
Habitat for Humanity – National Affiliate	X	X

US Department of Housing & Urban Dev.- Providence Office	X	X
American Homeowner Education & Counseling Training Institute		X
US Department of Agriculture (Rural Housing)	X	

The LISC-Rhode Island office can assist the Home Center with support and funding through the newly created national LISC Center for Homeownership. Rhode Island receives a direct benefit from Freddie Mac due their partnership with Consumer Credit Counseling Services in the CreditWorks Initiative. CreditWorks is a comprehensive debt management program combined with homeownership counseling. Upon completion of the 18-month program a conventional mortgage loan is granted. Fannie Mae has plans to open a Rhode Island Partnership Office, which could provide new funds and services for homeownership activities. The Providence HUD Office has worked through the Community Builder professional to assist in planning for a statewide homeownership education program.

Table 3. Other Professional Providers in Rhode Island

MEMBERS	HOME EDUCATION	APPROVED HUD COUNSELING	HOME FINANCING
RI Housing	X	X	X
RI Realtors	X		
RI Bank Lenders	X		X
RI Mortgage Lenders	X		X
RI Dept. of Elderly Affairs	X	X	

Table 4. Cities Providing Homeownership Assistance

CITY	DOWN PAYMENT	CLOSING COSTS	OTHER
Cranston	X		
Pawtucket	X		
Providence	X	X	X
Bristol	X		
Central Falls	X	X	
Woonsocket	X	X	

In addition, almost every city and town in Rhode Island provides either loans or grants to homeowners for rehabilitation of their homes through the Community Development Block Grant (CDBG) program

On September 12, 2000, HUD issued a final rule on the Section 8 Homeownership program, which allows Public Housing Authorities (PHAs) to offer a homeownership program. PHAs may decide to allow Section 8 voucher holders to use federal assistance to purchase a single-family home, manufactured home, condominium or interest in a cooperative. In Rhode Island, the Coventry Housing Authority has developed and implemented an eleven-week homebuyer education class. Certification from this education program qualifies the candidate for a Rhode Island Housing loan product. The Cranston Housing Authority has announced the availability of applications for their Homeownership Program (2 bedrooms, 3 bedrooms and 4 bedrooms). Other PHAs are exploring similar Section 8 Homeownership program.

3) Market Analysis

There is a historically underserved market for prospective homebuyers in Rhode Island. Low-interest rates and a healthy local economy will support greater home purchase opportunities. The Center will focus on low-to moderate-income buyers and homeowners but will not limit its marketing or program activities just to this market. See Appendix 4.

A demographic assessment of key central cities in Rhode Island based on the 1990 Census Data with a focus on low-to moderate-income communities indicates the following. Approximately, 102,000 people or 63 percent of the total population in Providence is located in low-to-moderate income communities. About 56,000 or 35% of the total population in Providence is minority. 84 percent of the total minority population in Providence resides in low-to moderate-income communities.

In Pawtucket, 27,700 or 38 percent of the total population is located in low-to-moderate income communities. The minority population represents 14 percent or 10,500 in the city. 75 percent of the total minority population lives in low-to-moderate income communities.

Roughly, 20,000 or 48% of the total population in Woonsocket is located in low-to-moderate-income communities. 3,600 or 8 percent is minority. 80percent of the total minority population in Woonsocket lives in low-to-moderate-income communities.

The entire population in Central Falls is located in moderate-income communities. 6,000 or 34 percent of the total population in Central Falls is minority.

About 25 percent of the total population in Newport is located in moderate-income communities. 3,500 or 12 percent of the total population is minority. 53 percent of the total minority population in Newport lives in moderate-income communities.

One indicator of demand in Rhode Island is reflected in a new study. In June 2000, the Center for Housing Policy (research affiliate of the National Housing Conference) released a report, *Housing America's Working Families*. The study examines the critical housing needs of moderate-income families. The Providence MSA was one of the selected metropolitan areas discussed in the report. The table below represents homeownership demand of moderate-income families in the Providence Metropolitan area. Moderate-income are families whose total income is between \$10,700 and 120% of area median income, and where earnings account for at least half the family's total income.

Table 5: The Potential Demand for Home Ownership by Moderate-Income Working Families, by Price and Number of 1-to2 Bedrooms .

METROPOLITAN AREA	\$50,000 - \$75,000	1-2BEDROOM HOMES	\$75,000 - \$100,000	1-2BEDROOM HOMES	\$100,000- \$125,000	1-2BEDROOM HOMES
	Potential Demand	# of Standard units, vacant-For-sale	Potential Demand	# of Standard units, vacant-For-sale	Potential Demand	# of Standard units, vacant-For-sale
Providence	5,930	554	6,409	273	7,311	548

Table 6: The Potential Demand for Home Ownership by Moderate-Income Working Families, by Price and Number of 3 or more Bedrooms.

METROPOLITAN AREA	\$50,000 - \$75,000	3 OR MORE BEDROOM HOMES	\$75,000 - \$100,000	3 OR MORE BEDROOM HOMES	\$100,000- \$125,000	3 OR MORE BEDROOM HOMES
	Potential Demand	# of Standard units, vacant-For-sale	Potential Demand	# of Standard units, vacant-For-sale	Potential Demand	# of Standard units, vacant-For-sale
Providence	1,429	228	2,914	571	3,480	520

Source of Table 5 & 6: 1998 American Housing Survey metropolitan files

Table 7. Home Purchase Prices below \$132,000 from 1997 to 2000

SALE PRICE	2000 SALES	% OF ALL SALES	1999 SALES	% OF ALL SALES	1998 SALES	% OF ALL SALES	1997 SALES	% OF ALL SALES
<\$80,000	846	9.2	1,296	13	1,376	15	1,264	17
\$80,001- \$132,000	3,426	37.6	4,031	41	4,069	45	3,480	47

Source: Statewide Multiple Listing Service

Over the three-year period, 1997 to 2000, a review of the home sales purchase price indicates that the supply of moderately priced properties continues to shrink. Local realtors agree that the bigger problem for first-time homebuyers is not affordable lending products but the lack of an adequate supply of homes. RI Housing has raised their purchase price to \$133,634 as of June 2000, but this action may not significantly increase the number of homes for low- and moderate-income prospective homebuyers. In 2000, the Rhode Island Association of Realtors announced that single-family sales fell from 1999 but still remained ahead of similar sales in 1998. The average price of an existing single-family home sold in Rhode Island rose to \$180,300. The increase average price pushed many buyers to purchase multi-family homes, especially for first-time buyers. Thus, the sale of multi-family homes reached at 15 year high with 54 percent of all multi-family home sales being in Cranston, Pawtucket and Providence in 2000.

Home Mortgage Disclosure Act (HMDA) for 1999 data for Rhode Island indicates that the Providence MSA has room for improvement in mortgage lending. According to a recent ACORN (Association of Community Organizations for Reform Now) report entitled; *Home Equity and Inequity*, disparity in obtaining financing by families of color is a growing problem in Rhode Island. The

ACORN study tables can be found in the Appendix. Out of the 50 MSAs in the study, the Providence MSA ranked fourteenth in disparity between percentages of the MSA made up of low and moderate-income neighborhoods and the share of conventional loans received in 1999. While Providence had 26.15 percent of low and moderate-income tracts, only 10.30 percent of loans were made, for a disparity rate of 2.87.

In another ACORN study entitled “Separate and Unequal, Predatory Lending in America”, the Providence MSA shows significant increases in subprime lending to minority homeowners. Latino homeowners in Providence were four times more likely than whites to receive a subprime loan when buying a home. The Providence MSA was ranked twenty-ninth in the “greater Black likelihood to receive a subprime refinance loan”. Whites had a 16.3 percent rate; Black families were at almost 50 percent (47.1 percent). This represents a disparity rate of 3.69 for Black families. Latino households fared worse, with Providence ranked sixth with a disparity rate for Latinos receiving a subprime loan at three times that of whites. Subprime borrowers pay higher rates and fees and are more likely to be victims of practices that could strip them of both equity and eventually ownership of their homes.

Between the 1990 Census Data and a recalculation of the data for 1999, shows that in Rhode Island all 39 cities and town saw an increase in homeownership rates. The state had a homeownership rate of 54.22% in 1990 and climbed to just fewer than 60% in 1999. The entitlement cities for Community Development Block Grant (CDBG) funds, which represent the most urban areas of the state had a homeownership rate of 47.91% and by the end of the decade had climbed to 51.6%. The non-entitlement communities which represents small cities and town had a rate of 60.34% in 1990 and in 1999 the rate of homeownership had jumped to 67.3%.

A further indication of the high level of interest in homebuyer education comes from the Fannie Mae Foundation. Fannie Mae has developed a major media campaign with an 800-telephone number to call in to receive their home-buying guide, *Opening the Door to a Home of Your Own*. According to the Foundation from January thru December 2000, **2,425** Rhode Islanders requested and have received a copy of the Foundation homebuyer guide.

The pilot Individual Development Account (IDA) between Citizens Bank and the United Way in partnership with the Housing Network has identified two neighborhoods, Olneyville in Providence and Woodlawn in Pawtucket for IDA work. Consumer Credit Counseling Services will provide credit and budget management counseling to IDA participant. IDAs are matched savings accounts set up through a program with participating financial institutions. The accounts are used for first-time homeownership, business development or post-secondary education. The potential for IDA expansion given the number of Public Housing Authorities administering Family Self-Sufficiency programs and the state’s welfare program; Family Independence Program could add thousands of new homeowners in Rhode Island.

Table 8: The Potential Demand for Credit Counseling by Chapter 13 and 7 Bankruptcy Filings in Rhode Island

YEAR	TOTAL FILINGS	CHAPTER 13	CHAPTER 7
1990	2325	88	2122
1991	3412	189	3073
1992	3680	203	3334
1993	3236	215	2927
1994	2941	176	2707

1995	3270	172	3066
1996	4247	178	4009
1997	5378	223	5124
1998	5378	285	5078
1999	4964	314	4632
2000	4352	296	4045

Source: 2000 U.S. Federal Bankruptcy Court Statistics

A Chapter 13 bankruptcy filing is sometimes referred to as the “homeowner’s defense” because the bankruptcy plan may allow the borrower as long as five years to repay creditors retain their home. Most bankruptcy filings are made under Chapter 7, which allows for exemption of some assets like the home based on Rhode Island laws. The data shows that between 1990 and 1999, total bankruptcy filings in the state increased 114 percent. These figures suggest that post-purchase consumer finance management and counseling could reduce the number of bankruptcy filings.

PART II: HOMEOWNERSHIP SERVICES PROJECTION

A Rhode Island Home Center will be able to promote the development of homeownership as a community revitalization activity through the following actions:

- Making more financial resources and technical resources available for developing homeownership opportunities to the non-profit partners of the Home Center;
- Coordination of resources and agencies providing homeownership assistance and services;
- Identifying and advancing the use of successful models of homeownership:
- Observance of Fair Housing Act and Equal Credit Opportunity Act as it relates to activities and policies of all participating partners (non-profit, realtors, lenders, etc.) in the Home Center;
- Publishing information to encourage homeownership in the state;
- Helping to ensure that homeownership development practices are shared among partners;
- Develop quality standards and training for agency staff;
- Providing technical assistance and training for partners and for prospective and existing homeowners; and
- Developing local, regional, and national partnerships to expand financial and technical

assistance for homeownership.

The Office of Homeownership has identified the following services provided now by existing agencies and potential services that could be part of a Home Center.

Table 9. Potential and Existing Services

SERVICES	CUSTOMERS SERVED 2000	2001	2002	2003
Insurance Counseling			200	400
Contractors Services	220	250	300	350
Home Inspections				
Landlord-Tenant Education	425	500	600	700
Landlord Development (Business planning)				
Home Maintenance Workshops	25	75	150	250
Neighborhood Marketing and Tours		5	10	10
Home Fairs	4	6	8	10

Education

ACTIVITY	LAST YEAR'S PRODUCTION	YEAR 1	YEAR 2	YEAR 3
Homebuyer Clubs	782	1000	1200	1500
Financial Management workshops		100	100	100
Consumer Credit Counseling				
One on One Counseling	782	1000	1200	1500
Pre-purchase Education				
Homeowner Retention Education/Counseling	75	100	125	125

Mortgage Lending

PRODUCT	LAST YEAR'S PRODUCTION	YEAR 1	YEAR 2	YEAR 3
Package of Partners' Loans				
Down Payment Loans	42	60	75	100
Other Grants				

Other

PRODUCT	DESCRIPTION
Access to a Building Cooperative	Homeowners and partners would have access to building materials for renovation and home repair projects at reduced costs. Possible linkage to the RI Donation Exchange
Equity Assurance Programs	An innovative program that insures homebuyers against any loss of equity that would occur should the homeowner resells their home at a loss. A strong neighborhood revitalization market strategy would reduce claim
Maintenance Reserve Program	This program can be designed in many forms, such as an IDA or an escrow account and is a form of home repair insurance.

PART III: FINANCIAL PROJECTIONS

The Center will be financed in three ways: direct income generated by fees charged for some services, partnership fees, and outside grants from foundations.

	Existing Home Buyer Center	Proposed Home Center		
	Jan –Dec 2000	Jan –Dec 2001	Jan –Dec 2002	Jan –Dec 2003
Expense				
Salary & Benefits				
Homebuyer Education Counselor	\$40,000 (1 FTE)	\$81,200 (2 FTE)	\$123,363 (3 FTE)	\$127,345 (3 FTE)
Accountants/Audit	\$5,000	\$5,150	\$5,304	\$5,464
Staff Support from Housing Network	\$30,000	\$30,900	\$31,827	\$32,781
1/3 Executive Director				
1/3 Administrative Assistant				
Office Expense	\$55,000	\$56,650	\$58,350	\$60,100
Rental Space, Supplies, Telephones, Computer, telephone expenses, etc.				
Educational Materials	\$3,900	\$6,000	\$7,500	\$9,000
Totals	\$134,900	\$181,900	\$228,844	\$237,690
Projected Income				
Fast Track Education Series	\$6,750	\$8,250	\$7,500	\$6,000
Individuals Served	450	550	500	400
Home Buyers Club	\$6,000	\$8,725	\$15,000	\$22,500
Individuals Served	240	350	600	900
Landlord Tenant Series	\$6,000	\$7,000	\$8,000	\$9,000
Individuals Served	600	700	800	900
Membership Fees	Info needed	\$60,000	\$70,000	\$70,000
(Bankers, Mortgage Companies, Insurance Companies, Mortgage Insurers)				
Various Foundation Funding	Info needed	\$40,000	\$80,000	\$80,000
Municipalities	Info needed	\$25,000	\$40,000	\$40,000
Other Funding Sources	Info needed	\$32,925	\$8,344	\$10,190
Totals		\$181,900	\$228,844	\$237,690
Programmatic Funds and Outreach				
	Funds Available	Funds Available	Funds Available	Funds Available
Fast Track	\$50,000	\$61,050	\$55,500	\$44,400
City of Providence				
Individuals Served	450	550	500	400
Homebuyer Clubs	\$65,000	\$91,000	156,000	\$234,000
Individuals Served	240	350	600	900
Landlord tenant Training	\$35,000	\$42,000	\$48,000	\$54,000
Individuals Served	600	700	800	900
Totals	\$150,000	\$194,050	\$259,500	\$332,400

PART IV: CUSTOMER TRACKING AND REPORTING

The Home Center will track nine areas for base consumer information: 1) request for service; 2) referrals; 3) homebuyer education completed; 4) credit counseling; 5) first mortgages; 6) second mortgages; 7) other financial assistance 8) housing units rehabbed; 9) mortgage default counseling. These tracking measures will provide quality assurance to the consumer and to partner agencies.

The Home Center will generate reports quarterly that will summarize accomplishments and consumer profiles. Yearly reports will show market share for target markets and activity. The Center will administer an intake form that is compatible with all participating partners and an input screen for data entry and analysis. The intake process will require an effective intake form and comprehensive computer tracking system. Tracking measurements would include a customer base and a program base system. Consumer measurements will create a profile for program activities and would include family income, family size, race and ethnicity primary language spoken, location (moving from and moving to), existing lender relationship, and existing realtor and insurance relationship. The program system would look at the number of loans, total loan funds invested, number of properties improved, delinquency rates, and leveraged funds. This process will allow the Home Center to evaluate its operations in several respects.

Based on a 27-month, (January 1, 1998 to March 31, 2000) national survey of all participating agencies in the NeighborWorks Campaign for Homeownership 2002, it is reasonable to expect that a Rhode Island Home Center will experience similar results for homeowners receiving various services. The three service areas identified by the Campaign for Homeownership 2002 are as followed a) Counseling Services in which 95 percent of new homeowners received some form of counseling services; b) Construction Services (including rehab) had a 16 percent provider rate and c) Financing & Loan Packaging services which assisted 71 percent of new homeowners who came in for homeownership services.

PART V: STAFFING, OVERSIGHT AND SERVICE PARTNERS

The Home Center will be a non-profit subsidiary or affiliate of The Housing Network with a separate board of directors and an initial staff of three employees. We envision the Home Center will evolve from the Housing Network's HomeBuyer Education Center. The Home Center will have four computers in which on would be a public computer for consumer use with access to on-line services

The Housing Network through the Home Buyer Education Center has been providing education and counseling for first-time homebuyers. Thirteen of the 22 Network members participate in the Home Buyer Education Center. Other critical partners of the Home Buyer Education Center have been Consumer Credit Counseling of Southern New England and RI Housing. In order to take advantage of existing efficiencies with providers, the Home Center will partner with organizations in the state. The Home Center will contract with organizations to provide direct services such as homebuyer education and delinquency counseling and will provide standardized practices and policies as a condition of being a participating partner.

The Home Center staff will be to distribute referrals, perform training, establish standards, contract with partners, track consumers, report findings, and evaluate programs.

PART VI: LOCATION

The location of a Home Center will reflect its dual purpose by being a visible site to promote homeownership and home retention efforts as well as a referral system for direct services.

The potential criteria for establishing the location include acting as, access to the target population, ability to address unmet urban potential, visibility, marketing costs, availability of services, and transportation.

APPENDICES

Appendix 1.

The table compares homeownership rates as a percentage of all occupied units for 1990 and 1999 based on Census Data and the 2000 State of Rhode Island Consolidated Plan.

■ Table: Home Ownership Rates by Community 1990 and 1999

COMMUNITY	1990 HOUSING UNITS	1990 OWNER OCCUPIED	1990 % OWNER OCCUPIED	1999 % OWNER OCCUPIED
Barrington	5,822	4,993	85.76	89.04
Bristol	7,959	4,861	61.07	62.53
Burrville	5,751	4,049	70.41	76.23
Central Falls	7,337	1,574	21.25	23.71
Charlestown	4,256	1,879	44.14	75.53
Coventry	11,788	8,989	76.26	80.34
Cranston	30,516	19,477	63.83	66.36
Cumberland	11,217	8,129	72.47	75.52
East Greenwich	4,663	3,293	70.62	74.02
East Providence	20,808	12,039	57.86	60.35
Exeter	1,919	1,489	77.59	83.79
Foster	1,525	1,278	83.80	86.76
Glocester	3,460	2,729	78.87	87.13
Hopkinton	2,662	1,933	72.61	78.71
Jamestown	2,517	1,530	60.69	77.23
Johnston	10,384	7,348	70.76	73.52
Lincoln	7,281	4,541	62.37	69.52
Little Compton	1,840	1,030	55.68	80.03%
Middletown	7,104	3,272	46.06	49.67
Narragansett	8,206	3,382	41.21	57.88
Newport	13,094	4,657	35.57	41.60
New Shoreham	1,264	232	18.35	64.27
North Kingstown	9,348	6,161	65.91	70.86
North Providence	14,134	7,864	55.64	59.32
North Smithfield	3,835	3,013	78.57	80.80
Pawtucket	31,615	13,619	43.08	45.84
Portsmouth	7,235	4,552	62.92	72.12
Providence	66,794	21,296	31.88	36.15
Richmond	1,874	1,596	85.17	89.40
Scituate	3,520	2,945	83.66	86.69

Smithfield	6,308	4,936	78.25	80.47
South Kingstown	9,806	5,189	52.92	69.86
Tiverton	5,675	4,375	77.09	82.19
Warren	4,786	2,656	55.50	59.10
Warwick	35,141	24,881	70.80	74.41
Westerly	10,521	5,214	49.56	61.56
West Greenwich	1,370	1,112	81.17	88.18
West Warwick	12,488	6,434	51.52	54.88
Woonsocket	18,739	6,232	33.26	35.47
State	414,572	224,792	54.22	59.50
Entitlement Cities	203,613	97,544	47.91	51.60
Non-Entitlement	210,959	61,805	60.32	67.30

Source: Rhode Island Consolidated Plan 2000-2005 by RI Housing

Appendix 2.

The following series of tables are taken from the ACORN study *Home Equity and Inequity, An Analysis of Racial and Economic Disparities in Home Purchase Mortgage Lending in Fifty Metropolitan Areas*. The charts are referenced on page 7 of the Business Plan.

Largest Increases in African-American Denial Rates for Conventional Home Purchase Loans

MSA	1998	1999
Providence	18.45%	26.92%
Milwaukee	20.46%	29.04%
Detroit	25.50%	36.21%
Bridgeport	21.69%	30.24%

Greatest Disparity in 1999 Denial Rates for Conventional Home Purchase Mortgages

Race	Latinos	Whites
Springfield	22.04%%	8.46%%
Austin	55.97%	23.89%
Providence	23.73%	10.32%

Memphis	37.76%	16.64%
Milwaukee	15.11%	6.69%

African-American Denial Rates for Government-Backed Purchase Loans

MSA	1998	1999
San Diego	15.57%	19.35%
Washington, DC	8.94	10.93%
Chicago	13.73%	16.78%
Albuquerque	12.82%	16.30%
Providence	12.88%	16.50%
Dallas	11.86%	14.45%

Latino Denial Rates for Government-Backed Purchase Loans

MSA	1998	1999
Chicago	8.11%	10.48%
Baltimore	4.37%	7.12%
Detroit	5.99%	8.28%
Kansas City	5.26%	8.14%
Providence	9.04%	14.29%
Memphis	6.42%	10.69%

Greatest Disparity Between Latino and White 199 Denial Rates for Government-Backed Loans

MSA	Whites	Latinos
Boston, MA	10.76%	22.26%

Albuquerque, NM	8.54%	14.48%
Providence, RI	8.42%	14.29%
Milwaukee, WI	7.16%	13.41%

Appendix 3.

The next series of tables provide a review of the top ten performers in Rhode Island mortgage lending and refinance loans for the three-year period, 1997, 1998, and 1999. The data indicate that local banks and mortgage companies compete for the top shares of the mortgage and refinance market.

TOP TEN PURCHASE MORTGAGE LENDERS IN RHODE ISLAND IN 2000

Lender	Number of Loans	Average Value	Market Share %
North American	827	\$116,999	6.2
Citizens Mortgage	697	\$110,685	5.2
Fleet Mortgage	513	\$129,422	3.8
Old Kent Mortgage	409	\$110,694	3.0
Bank of Newport	348	\$163,588	2.6
Chase Home Mortgage	345	\$129,511	2.6
Homestar	307	\$137,835	2.3
Washington Trust	301	\$141,089	2.2
RI Housing	292	\$ 87,484	2.2
National City Mortgage	290	\$119,918	2.2

TOP TEN PURCHASE MORTGAGE LENDERS IN RHODE ISLAND IN 1999

Lender	Number of Loans	Average Value	Market Share %
North American	859	\$103,992	5.3
Citizens Mortgage	752	\$111,783	4.6
BankBoston	634	\$109,120	3.9
Fleet Mortgage	606	\$122,882	3.7
Old Kent Mortgage	441	\$104,994	2.7
Norwest Mortgage	438	\$128,676	2.7

Chase Home Mortgage	408	\$132,228	2.5
Countrywide Home Loan	407	\$119,697	2.5
Washington Trust	402	\$123,370	2.5
Bank of Newport	399	\$137,794	2.4

TOP TEN PURCHASE MORTGAGE LENDERS IN RHODE ISLAND IN 1998

Lender	Number of Loans	Average Value	Market Share %
North American	824	\$ 99,634	5.6
Citizens Mortgage	783	\$110,301	5.3
BankBoston	738	\$106,841	5.0
Fleet Mortgage	495	\$131,135	3.4
Norwest Mortgage	453	\$114,729	3.1
Chase Home Mortgage	412	\$124,333	2.8
Central Pacific Mortgage	345	\$113,820	2.4
First Federal Savings	316	\$114,020	2.2
Washington Trust	312	\$125,110	2.1
Countrywide Home Loan	306	\$107,019	2.1

TOP TEN PURCHASE MORTGAGE LENDERS IN RHODE ISLAND IN 1997

Lender	Number of Loans	Average Value	Market Share %
Citizens Mortgage	927	\$111,799	7.6
North American Mortgage	738	\$ 95,666	6.0
BankBoston	630	\$ 98,242	5.2
Fleet Mortgage	455	\$124,485	3.3
Norwest Mortgage	421	\$111,478	3.4
Eastern Bank	336	\$121,125	2.8
Chase Home Mortgage	316	\$118,889	2.6
Bank of Newport	312	\$136,430	2.6
Washington Trust	272	\$119,447	2.2

First Federal Savings Bank	255	\$110.027	2.1
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TOP TEN REFINANCE MORTGAGE LENDERS IN RHODE ISLAND IN 2000

Lender	Number of Loans	Average Value	Market Share %
Citizens Bank	1,353	\$ 63,899	9.4
Fleet Mortgage	848	\$ 71,428	5.9
Washington Trust	591	\$102,771	4.1
Equi-Credit	394	\$ 93,826	2.7
Bank of Newport	380	\$ 89,441	3.1
Sovereign Bank	307	\$ 80,192	2.6
People's Credit Union	269	\$ 72,861	1.9
Ameriquest	468	\$100,314	1.9
First Union	258	\$ 51,964	1.8
Citizens Mortgage	254	\$106,706	1.8

TOP TEN REFINANCE MORTGAGE LENDERS IN RHODE ISLAND IN 1999

Lender	Number of Loans	Average Value	Market Share %
Fleet Mortgage	1,446	\$ 83,828	5.8
Citizens Bank	1,404	\$ 75,118	5.6
Citizens Mortgage	1,020	\$ 93,709	4.1
Washington Trust	832	\$103,447	3.3
Bank of Newport	768	\$ 91,672	3.1
BankBoston	736	\$ 73,203	3.0
First Federal Savings Bank	542	\$ 99,455	2.2
Rhode Island Equity Corp.	510	\$ 85,648	2.1
North American Mortgage	476	\$102,152	1.9
People's Credit Union	468	\$ 96,649	1.9

TOP TEN REFINANCE MORTGAGE LENDERS IN RHODE ISLAND IN 1998

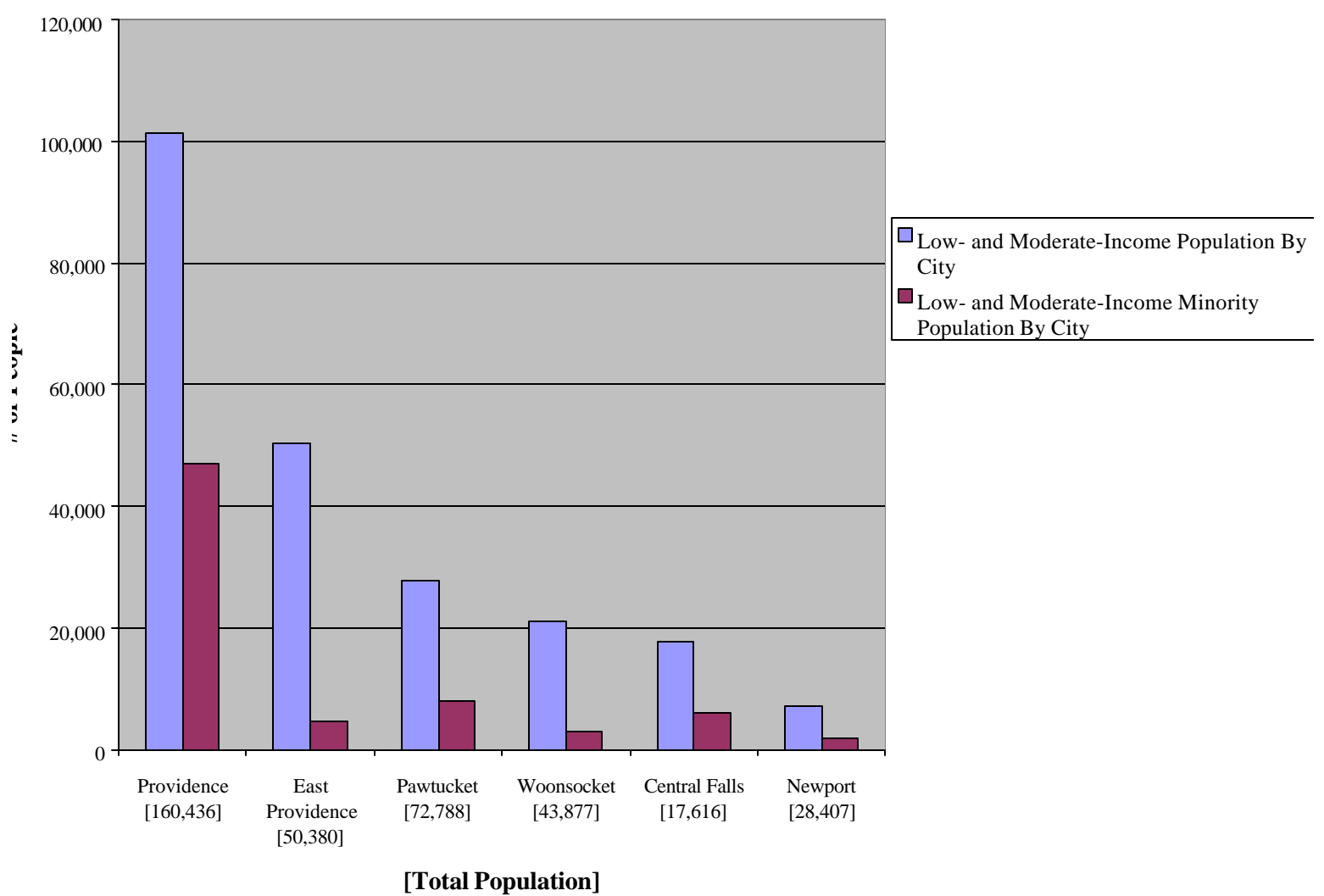
Lender	Number of Loans	Average Value	Market Share %
Citizens Mortgage	2,822	\$ 89,814	8.5
Fleet Mortgage	2,157	\$ 99,015	6.5
BankBoston	1,145	\$ 83,510	3.4
Bank of Newport	1,144	\$101,490	3.4
Washington Trust	1,024	\$101,357	3.1
First Federal Savings Bank	996	\$104,719	3.0
North American Mortgage	950	\$108,756	2.8
Accubanc Mortgage	758	\$107,883	2.3
Chase Home Mortgage	732	\$121,419	2.2
RI Hospital Trust	677	\$ 43,565	2.0

TOP TEN REFINANCE MORTGAGE LENDERS IN RHODE ISLAND IN 1997

Lender	Number of Loans	Average Value	Market Share %
Citizens Mortgage	1,911	\$ 67,041	11.3
RI Hospital Trust	1,752	\$ 47,150	10.4
Fleet Mortgage	1,119	\$ 79,489	6.6
Washington Trust	732	\$ 83,915	4.3
Bank of Newport	632	\$ 82,083	3.7
First Federal Savings Bank	452	\$ 96,691	2.7
North American Mortgage	335	\$ 97,262	2.0
Centreville Savings Bank	318	\$ 80,541	1.9
Accubanc Mortgage	261	\$102,667	1.5
Chase Home Mortgage	252	\$115,457	1.5

■ *Tables Source: Warren Information Services*

Appendix 4



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